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FISCAL IMPACT STATEMENT

LS 7171

BILL NUMBER: HB 1561

NOTE PREPARED: Mar 31, 2009

BILL AMENDED: Mar 19, 2009

SUBJECT: High Speed Internet Service Initiative.

FIRST AUTHOR: Rep. Van Haaften

FIRST SPONSOR: Sen. Hershman

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Economic Development Corporation to: (1) develop a High Speed Internet Service Deployment and Adoption Initiative; and (2) create a statewide geographic information system (GIS) of telecommunications and information technology services.

Effective Date: (Amended) Upon passage.

Explanation of State Expenditures: *Indiana Economic Development Corporation (IEDC):* This bill requires the IEDC to develop a High Speed Internet Service Deployment and Adoption Initiative that includes the creation of a statewide geographic information system (GIS) of available telecommunications and information technology services, including high speed Internet service. The IEDC could download the GIS software for free from the Indiana Office of Technology. Then, at least one staff person at IEDC could register for a GIS class that is offered almost every month to state employees for a one-time cost of \$100. Other costs related to implementing the High Speed Internet Service Deployment and Adoption Initiative are unknown.

(Revised) *Indiana Finance Authority:* The bill specifies that the IEDC should consult with the Indiana Finance Authority to avoid unnecessary duplication of efforts. Also, for the purposes of the Indiana Broadband Development Program, the bill changes the speed in the definition of "broadband services" from 200 kilobits per second in at least one direction to 384 kilobits per second in at least one direction to comply with the speed in this bill's High Speed Internet Service Deployment and Adoption Initiative. IC 8-1-33-8 established the Indiana Broadband Development Program to be administered by the Indiana Finance Authority in 2005. Due to administrative constraints, this program has not been active.

(Revised) *Background Information* - The IEDC is required to utilize the GIS to map the availability of high speed Internet service by census blocks. Also, the map utilized by the IEDC may include the percentage of households that have access to broadband services and use the Federal Communications Commission benchmark rates for broadband service to identify different speed tiers. The IEDC is required to update the GIS at least every six months, as well as share the GIS, including updates, with the Indiana Geographic Information Council. The provisions of the bill regarding GIS mapping expire on December 31, 2010.

The bill provides that the IEDC may enter into a contract to fulfill all or part of the provisions of this bill. Additionally, the bill provides that the IEDC may apply for state broadband data and development grants under the federal Broadband Data Improvement Act and the American Recovery and Reinvestment Act of 2009.

High Speed Internet Service Deployment and Adoption Initiative: The bill provides that the IEDC should establish the following priorities in developing and implementing the High Speed Internet Service Deployment and Adoption Initiative:

- (1) extend the deployment of high speed Internet services to areas where Internet connections are unavailable, or the only available Internet connections provide capacity for transmission at an average speed of less than 200 kilobits per second (kbps) downstream;
- (2) extend the deployment of high speed Internet services to areas where the only available Internet connections provide capacity for transmission at an average speed between 200 kilobits and 1.5 megabits per second (mbps) downstream; and
- (3) support programs to promote broadband adoption throughout Indiana.

Federal Communications Commission Benchmark Rates:

- (1) greater than 200 kbps and less than 2.5 mbps;
- (2) greater than or equal to 2.5 mbps and less than 10 mbps;
- (3) greater than or equal to 10 mbps and less than 25 mbps;
- (4) greater than or equal to 25 mbps and less than 100 mbps; and
- (5) greater than or equal to 100 mbps.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Economic Development Corporation.

Local Agencies Affected:

Information Sources: Jim Sparks, Indiana Office of Technology, 317-234-5889, Jennifer Alvey, Indiana Finance Authority, 317-233-4338; Local Telephone Competition and Broadband Reporting, Report and Order, WC Docket No. 04-141, 19 FCC Rcd 22340 (2004).

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